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SANTO DOMINGO FOR REGIONAL COMMERCIAL OFFICE

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SUBJECT: TRINIDAD & TOBAGO ECONOMIC HIGHLIGHTS - MAY

The following were notable economic issues in Trinidad & Tobago during the month of May

- 1) CA adds flights to Caribbean and North America
- 2) Another airline for T&T
- 3) Goodbye State-Run Sugar
- 4) Panama Canal Project invitation
- 5) TSTT loses millions
- 6) T&T's economic growth impressive
- 7) Record nesting season for leatherback turtles
- 8) Investors in Venezuela relocate to T&T?
- 9) T&T Transport - buses, rapid rail, water taxis
- 10) Saharan Dust in Trinidad contains pesticides, USGS-led team finds
- 11) Climate change warnings
- 12) Alutrint to begin site work - or not!
- 13) New Cuban medics in town

1. CA adds flights to Caribbean and North America

Caribbean Airlines will increase seat capacity to the Caribbean and North America by 25 percent. CA will fly double daily frequencies to New York four days a week, maintaining daily service for the rest to the week. The airline will add one extra flight to the Toronto route, and a morning and evening service linking Guyana, Barbados and Port of Spain three times weekly.

2. Another T&T airline

Constellation West Indies Airways Ltd. (CWIA), T&T's newest airline, is scheduled to take to the skies in later this year after celebrating its inaugural flight to Panama and Curacao in June. The airline's Managing Director and sole shareholder Mujjhtabah Mohammed is also the Managing Director of Constellation Travel Service. According to newspaper reports, the company has been in the travel business for 23 years and has been involved in charter operations. CWIA is presently in the process of applying for its local Air Operators Certificate. CWIA routes will include Guyana, Fort Lauderdale, New York, and Toronto. The airline's fleet will consist of two Boeing 757 aircraft, and it intends to acquire other craft in the future.

3. Goodbye State-Run Sugar

May 25 saw the last truck loads of cane brought to the sugar factory. However, the State-run Sugar Manufacturing Company Limited (SMCL) closed its final crop with an 18,000 ton shortfall of its intended target of 378 tons of cane. All the sugar produced was exported, with the final shipment of 7,000 tons going to the European Union.

14. Panama Canal Project invitation

Chief Operations Officer of the Panama Canal Authority Manuel Benitez extended an invitation to the local business community to be part of the US\$5.25 billion Panama Canal extension, presently in progress and due to be completed in 2014. Benitez' list of needs included asphalt, steel, aggregate, cement and technical expertise. When the canal was first built, 1,427 T&T workers were contracted for the project.

15. TSTT loses millions

Local telecom provider TSTT is likely to declare an after tax loss of US\$19 million compared to a post tax profit of US\$41 million last year. TSTT's CEO Roberto Peon said the company suffered from "asset impairment" estimated at US\$30 million, US\$16 million from fraud, the lost of US\$14 million from it international long distance market, and cable theft (for copper) amounted to US\$4 million. Peon plans to approach Government for a moratorium on the sale/export of copper. TSTT is 51 percent owned by the GOTT and 49 percent is owned by international telecom giant Cable and Wireless.

16. T&T's economic growth impressive

Two credit rating agencies commended T&T on its impressive economic growth. Regional agency Caricris assigned its highest creditworthiness rating to the government for debt size of US\$500 million, assigning ratings of CariAAA to foreign currency and CariAAA for local currency in its rating scale. Analysts from International rating agency Standard & Poor's (S&P) also lauded the

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government on its impressive growth but expressed concern over its lack of economic diversification and dependency on energy revenues. IMF Mission Chief for T&T here to attend the Regional Economic Outlook described T&T's economic growth as "quite a remarkable achievement."

17. Record nesting season for leatherback turtles

Scientists predicted record numbers of nesting leatherback turtles in T&T this year as local and international conservationists ramp up efforts to protect this endangered species. The north coast of T&T has long been the second most popular nesting destination worldwide for leatherback turtles, the largest turtle species and may see upwards of 7,000 females this year. This unique spectacle is becoming a more important draw for eco-tourism, and local communities are getting increasingly involved in conservation efforts. Dr. Scott Eckert, director of science for the Wider Caribbean Sea Turtle Conservation Network (WIDECAST), commends local conservation management efforts, and notes that local turtle groups, which monitor the beaches where the turtles nest and lead guided tours, have become the primary economic force in some north-coast villages and serve as a model of how sea turtle nesting can be used as a resource for community development. Local environmental groups and relevant government ministries also formed a Nets Working Committee in 2007 to protect these turtles and other marine species.

However, despite community-based conservation efforts, leatherback turtles continue to face danger in T&T from poachers as well as from entanglement in gill nets or shrimp trawling nets. The U.S. National Oceanographic and Atmospheric Administration is developing strategies for local fisherman to reduce the number of turtles caught in gill nets. Post will report in greater detail on these strategies as well as on efforts to implement turtle excluder devices (TEDs) in shrimp trawling nets septel.

18. Investors in Venezuela relocate to T&T?

During a post cabinet press conference GOTT Trade Minister Ken Valley announced that two or three major foreign companies with investments in Venezuela have made enquiries about relocating to T&T. He said the companies were not in the energy sector, but he declined to identify them. Valley said that if companies decided to relocate to T&T, the Government would look favourably at the possible investment. However, he said that the GOTT would not actively entice companies to pull out of Venezuela.

19. Transport T&T - buses, rapid rail, water taxis

Buses: Minister of Works and Transport Colm Imbert commissioned 38 new buses bringing the local fleet to 230 with an additional 12 buses expected later this year. The Minister requested proposals for an additional 50 buses specifically for use in rural and suburban areas. Twenty-five articulated buses were manufactured by Volvo, Brazil, and 13 tour buses were manufactured by Chinese firm Zonda and acquired through Champion Motors of the U.S. Total cost was approx. US\$8.4 million.

Rapid Rail: Imbert announced that a contractor for the rapid rail project final design and planning stage would be announced shortly. PM Manning also confirmed that final negotiations would be completed by the end of June. The two consortia bidding for this project are Trintrain consortium lead by French company Bouygues Travaux Publics and the T-3 Group, led by another French company Vinci Construction and Bombardier. Estimated value for the total project is US\$1.1 billion.

Water Taxis: Manning announced that the infrastructure for the water taxis was established and the service would be in operation by the end of August.

110. Saharan Dust in Trinidad contains pesticides, USGS-led team finds

A recently released report based on the findings of a U.S. Geological Survey (USGS) team examining the effects of Saharan dust in T&T found that the dust samples collected over the past two years contain six pesticides harmful to human, animal and plant health. The Saharan dust, consisting of soil and other particles that are transported every year across the Atlantic from Africa to the Caribbean and the Southeastern U.S., has been blamed for many health issues in T&T, including asthma and other respiratory illnesses, and Environmental Management Agency chairman Dr. John Agard says Saharan dust has been increasing in recent years. The USGS, along with

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local and international partners, is involved in a six-year study of the Saharan dust and its effect on humans and coral reefs. Currently in the middle of their third year of research, they are working with Post to gain access to a new dust sampling location in Tobago.

111. Climate change warnings

At a three-day conference on climate change, Permanent Secretary in the Ministry of the Environment Jacqueline Ganteaume-Farrell told participants (mostly school children) that reclaimed land and removal of mangrove for coastal development only added to the country's vulnerability to climate change. She said the National Reforestation and Watershed Rehabilitation Programme will replace 33,030 acres of trees over the next ten years. A program has been established with energy companies to ensure that any trees they remove are replanted in the same area or an area approved by the Ministry. The Government is also testing the feasibility of using solar energy to heat water in homes and will evaluate the use of alternative fuels through a pilot project using solar water heating in 11 test homes.

Chairman of the Environmental Management Authority John Agard said that T&T was a victim of climate change, with rising sea levels from 1.3 to 1.6 mm, warmer temperatures; the recent dry season produced

the country's hottest temperature of 35.8 degrees Celsius, and a decrease in rainfall. He also warned of the increases in weather-related deaths and infectious diseases. Agard noted that although T&T lies outside of the hurricane belt, hurricanes are coming closer. He said that the total amount of greenhouse gasses emitted in T&T is insignificant compared to the U.S. and China, but as a petroleum economy, the country has a moral responsibility to contribute to the solution.

¶12. Alutrint to begin site work - or not!

The Environmental Management Authority (EMA) awarded a Certificate of Environmental Clearance (CEC) to majority state-owned company Alutrint to construct an aluminium smelter in Trinidad. The company indicated that pre-construction activity on the smelter complex is likely to being in the second half of 2007, to be completed in the latter half of 2009. However, the Civil Rights Association which is chaired by Ramesh Lawrence Maharaj, former Attorney General under the United National Congress (UNC) administration, intends to file for judicial review to quash the granting of the CEC. In addition, the Association will seek a Court order to block Alutrint from moving forward with construction. A release from Alutrint acknowledged that it will review the very comprehensive CEC in order to ensure that the EMA's conditions are fulfilled within the time frames specified. It also reaffirmed that Alutrint would consider all health, safety and environmental regulatory requirements as a minimum target, and continually strive to improve upon statutory expectations.

¶13. New Cuban medics in town

A team of medical personnel from Cuba comprising 22 doctors and 18 nurses arrived in T&T on two-year contracts to help with the shortage of specialized medical personal at hospitals. The team, the third set of Cuban medical personnel to come to T&T, participated in a three-week training and orientation program designed to familiarize them with local conditions. According to Health Minister John Rahael, another batch of 30 medics was expected in June. Over the last four years, doctors employed with the United National Voluntary Programme and pharmacists from the Philippines have been recruited to provide health care at various institutions.

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